

**THE CHILDREN'S COALITION
FOR NORTHEAST LOUISIANA, INC.**

**MONROE, LOUISIANA
JUNE 30, 2010 AND 2009**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 3/16/11

THE CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC.

MONROE, LOUISIANA

JUNE 30, 2010 AND 2009

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December 9, 2010

The Board of Directors
The Children's Coalition
for Northeast Louisiana, Inc.
Monroe, Louisiana

Independent Auditors' Report

We have audited the accompanying statements of financial position of the Children's Coalition for Northeast Louisiana, Inc. (a Non-profit Corporation) as of June 30, 2010 and 2009, and the related statements of activities, cash flows and functional expenses for the years then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the Louisiana Government Audit Guide, issued by the Louisiana Society of Certified Public Accountants and the Louisiana Legislative Auditor. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Children's Coalition for Northeast Louisiana, Inc. as of June 30, 2010 and 2009, and the changes in their net assets and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated December 9, 2010, on our consideration of The Children's Coalition for Northeast Louisiana, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audits.

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The Board of Directors
The Children's Coalition
for Northeast Louisiana, Inc.
December 9, 2010
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Our audits were conducted for the purpose of forming an opinion on the basic financial statements of the Children's Coalition for Northeast Louisiana, Inc. taken as a whole. The accompanying financial information listed as Supplementary Information in the Table of Contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Heard, McElroy & Vestal, LLP
Monroe, Louisiana

THE CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC

STATEMENTS OF FINANCIAL POSITION

	JUNE 30	
	<u>2010</u>	<u>2009</u>
ASSETS		
Cash	\$ 210,205	\$ 68,991
Accounts Receivable	118,106	135,064
Furniture and Equipment, net	69,033	82,335
Prepaid Expenses	20,600	28,722
Deferred Charges	-	479
	<u> </u>	<u> </u>
TOTAL ASSETS	<u><u>\$ 417,944</u></u>	<u><u>\$ 315,591</u></u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts Payable	\$ 2,634	\$ 12,538
Accrued Payroll Liabilities	4,328	2,056
Capital Leases Payable - Current	3,961	6,426
Capital Leases Payable - Long-Term	5,806	9,112
Notes Payable - Bank line-of-credit	50,982	20,575
Deferred Revenue - DHH-M	-	3,812
Total Liabilities	<u>67,711</u>	<u>54,519</u>
Net Assets		
Unrestricted - Undesignated	112,141	99,400
Unrestricted - Designated	74,391	29,170
Temporarily Restricted	<u>163,701</u>	<u>132,502</u>
Total Net Assets	<u>350,233</u>	<u>261,072</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 417,944</u></u>	<u><u>\$ 315,591</u></u>

The accompanying notes are an integral part of these financial statements.

THE CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010

	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUES			
Donations and Sponsorships	\$ 135,002	\$ -	\$ 135,002
In-Kind Donations at Fair Value	9,000	-	9,000
Grants - Federal	228,515	-	228,515
Grants - Vendor Contracts	669,274	-	669,274
Grants - Other	340,650	220,000	560,650
Registration and Tuition Fees	37,543	-	37,543
Memberships	32,364	-	32,364
Interest	1,868	-	1,868
Contributions and Net Revenue from Special Events			
Special Event Revenue	-	-	-
Costs of Direct Benefits to Donors	-	-	-
Other Revenue	3,655	-	3,655
Total	<u>1,457,871</u>	<u>220,000</u>	<u>1,677,871</u>
Net Assets Released from Restrictions	<u>188,801</u>	<u>(188,801)</u>	<u>-</u>
Total Support and Revenue	1,646,672	31,199	1,677,871
EXPENSES			
Program Services			
Health Care	274,078	-	274,078
Early Childhood Education	848,036	-	848,036
Youth Development	185,786	-	185,786
Hurricane Relief Services	1,702	-	1,702
Parenting Education	49,064	-	49,064
Total Program Expenses	<u>1,358,666</u>	<u>-</u>	<u>1,358,666</u>
Supporting Services			
Management & General	216,442	-	216,442
Fund Raising	13,602	-	13,602
Total Supporting Services	<u>230,044</u>	<u>-</u>	<u>230,044</u>
Total Expenses	<u>1,588,710</u>	<u>-</u>	<u>1,588,710</u>
Change in Net Assets	57,962	31,199	89,161
NET ASSETS AT BEGINNING OF YEAR	<u>128,570</u>	<u>132,502</u>	<u>261,072</u>
NET ASSETS AT END OF YEAR	<u>\$ 186,532</u>	<u>\$ 163,701</u>	<u>\$ 350,233</u>

The accompanying notes are an integral part of these financial statements.

THE CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009

	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUES			
Donations and Sponsorships	\$ 44,637	\$ -	\$ 44,637
In-Kind Donations at Fair Value	9,776	-	9,776
Grants - Federal	376,526	-	376,526
Grants - Vendor Contracts	639,009	-	639,009
Grants - Other	143,075	177,592	320,667
Registration and Tuition Fees	32,469	-	32,469
Memberships	30,986	-	30,986
Interest	1,078	-	1,078
Contributions and Net Revenue from Special Events			
Special Event Revenue	79,800	-	79,800
Costs of Direct Benefits to Donors	(28,912)	-	(28,912)
Other Revenue	1,937	-	1,937
Total	<u>1,330,381</u>	<u>177,592</u>	<u>1,507,973</u>
Net Assets Released from Restrictions	<u>120,399</u>	<u>(120,399)</u>	<u>-</u>
Total Support and Revenue	1,450,780	57,193	1,507,973
EXPENSES			
Program Services			
Health Care	184,459	-	184,459
Early Childhood Education	545,205	-	545,205
Youth Development	319,505	-	319,505
Hurricane Relief Services	6,387	-	6,387
Parenting Education	128,520	-	128,520
Total Program Expenses	<u>1,184,077</u>	<u>-</u>	<u>1,184,077</u>
Supporting Services			
Management & General	159,764	-	159,764
Fund Raising	22,276	-	22,276
Total Supporting Services	<u>182,040</u>	<u>-</u>	<u>182,040</u>
Total Expenses	<u>1,366,117</u>	<u>-</u>	<u>1,366,117</u>
Change in Net Assets	84,663	57,193	141,856
NET ASSETS AT BEGINNING OF YEAR	<u>43,907</u>	<u>75,309</u>	<u>119,216</u>
NET ASSETS AT END OF YEAR	<u>\$ 128,570</u>	<u>\$ 132,502</u>	<u>\$ 261,072</u>

The accompanying notes are an integral part of these financial statements.

THE CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2010

	Program Services				Supporting Services			Total Expenses	
	Health Care	Early Childhood Education	Youth Development	Hurricane Relief Services	Parenting Education	Program Services	Management & General		Fund Raising
Salaries	\$ 164,347	\$ 525,904	\$ 130,235	\$ -	\$ 42,440	\$ 862,926	\$ 118,467	\$ 8,972	\$ 990,365
Payroll Taxes	13,265	42,448	10,512	-	3,426	69,651	9,562	724	79,937
Related Benefits	4,975	15,918	3,942	-	1,285	26,120	3,586	272	29,978
Total Salaries and Related Expenses	182,587	584,270	144,689	-	47,151	958,697	131,615	9,968	1,100,280
Advertising	13,585	2,099	-	1,142	-	16,826	4,350	-	21,176
Bank Charges	-	-	-	-	-	-	842	-	842
Board Expenses	-	-	-	-	-	-	1,339	-	1,339
Computer Maintenance	2,052	2,499	975	-	-	5,526	702	-	6,228
Contract for Services	-	4,100	-	150	-	4,250	-	-	4,250
Dues and Subscriptions	-	885	-	-	-	885	1,325	-	2,210
Equipment Lease	2,506	3,054	701	-	-	6,261	127	-	6,388
Janitorial	-	-	-	-	-	-	336	-	336
Meetings	8,148	4,437	218	59	903	13,765	2,081	1,824	17,670
Postage and Delivery	1,355	3,187	685	-	-	5,227	100	75	5,402
Printing & Reproduction	6,374	8,847	3,048	100	-	18,369	1,788	1,000	21,157
Professional Fees	1,352	1,728	15,900	-	-	18,980	31,100	-	50,080
Rent	13,833	32,944	4,500	-	-	51,277	13,723	-	65,000
Maintenance & Repairs	5,300	3,605	966	-	-	9,871	1,341	-	11,212
Miscellaneous	-	-	-	-	-	-	2,339	-	2,339
Security	115	73	63	-	-	251	-	-	251
Scholarships	-	54,164	-	-	-	54,164	-	-	54,164
Supplies	10,976	6,278	1,894	-	-	19,148	3,003	527	22,678
Telephone	5,066	5,180	2,998	-	-	13,244	1,364	-	14,608
Training	25	57,025	425	225	251	57,951	631	-	58,582
Insurance	333	1,000	429	-	-	1,762	3,257	-	5,019
Interest	-	-	-	-	-	-	5,595	-	5,595
Travel	11,017	49,157	3,218	-	12	63,404	5,721	-	69,125
Utilities	5,152	10,410	2,223	-	-	17,785	791	-	18,576
Total	269,776	834,942	182,932	1,676	48,317	1,337,643	213,470	13,394	1,564,507
Depreciation	4,202	13,094	2,854	26	747	21,023	2,972	208	24,203
Total Functional Expenses	\$ 274,078	\$ 848,036	\$ 185,786	\$ 1,702	\$ 49,064	\$ 1,358,666	\$ 216,442	\$ 13,602	\$ 1,588,710

The accompanying notes are an integral part of these financial statements.

THE CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2009

	Program Services				Supporting Services			Total Expenses
	Early Childhood Education	Youth Development	Hurricane Relief Services	Parenting Education	Total Program Services	Management & General	Fund Raising	
Salaries	\$ 115,475	\$ 204,175	\$ -	\$ 80,092	\$ 794,744	\$ 77,272	\$ 7,608	\$ 879,624
Payroll Taxes	9,696	16,457	-	6,356	65,240	6,877	488	72,605
Workers Compensation	2,352	4,145	-	1,626	16,134	2,312	156	18,602
Total Salaries and Related Expenses	127,523	224,777	-	88,074	876,118	86,461	8,252	970,831
Advertising	2,098	4,400	-	-	6,573	3,490	1,555	11,618
Bank Charges	-	-	-	-	-	662	-	662
Board Expenses	-	-	-	-	-	2,081	-	2,081
Computer Maintenance	1,664	1,016	-	716	5,246	2,026	-	7,272
Contract for Services	1,616	8,350	-	-	15,126	3,655	-	18,781
Dues and Subscriptions	123	250	-	-	5,448	725	-	6,173
Equipment Lease	2,084	1,069	-	919	5,828	733	-	6,561
Janitorial	-	-	-	-	-	194	-	194
Meetings	6,622	1,554	-	1,863	13,118	3,096	643	16,857
Postage and Delivery	1,393	1,108	-	995	5,495	812	-	6,306
Printing & Reproduction	1,528	1,556	-	3,148	9,665	3,558	3,880	17,103
Professional Fees	4,715	14,218	-	5,994	34,822	13,059	-	47,881
Rent	10,020	12,155	-	6,475	44,479	16,403	2,895	63,777
Maintenance & Repairs	1,401	1,586	-	843	7,449	2,834	-	10,283
Miscellaneous	-	-	740	-	740	807	-	1,547
Security	-	147	-	-	176	76	-	252
Scholarships	-	-	-	-	6,462	-	-	6,462
Supplies	6,938	7,412	5,540	1,346	25,904	3,455	4,082	33,441
Telephone	2,329	3,380	-	1,134	11,369	2,176	384	13,929
Training	-	18,022	-	4,687	29,949	235	-	30,184
Insurance	-	370	-	-	920	3,072	-	3,992
Interest	-	-	-	-	-	4,512	-	4,512
Travel	7,721	7,614	-	7,880	42,338	1,765	-	44,103
Taxes & Licenses	-	-	-	-	-	-	-	-
Utilities	3,605	4,986	-	2,299	17,080	1,210	214	18,504
Total	181,379	314,170	6,280	126,374	1,161,305	157,096	21,905	1,343,306
Depreciation	3,080	5,335	107	2,146	19,772	2,668	371	22,811
Total Functional Expenses	\$ 184,459	\$ 319,505	\$ 6,387	\$ 128,520	\$ 1,184,077	\$ 159,764	\$ 22,276	\$ 1,366,117

The accompanying notes are an integral part of these financial statements.

THE CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC

STATEMENTS OF CASH FLOWS

	YEAR ENDED JUNE 30	
	2010	2009
Cash Flows From Operating Activities		
Change in Net Assets	\$ 89,161	\$ 141,856
Adjustment to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	24,203	22,811
Changes in assets and liabilities:		
Accounts Receivable	16,958	(3,958)
Prepaid Expenses	8,122	(18,777)
Deferred Charges	479	822
Accounts Payable	(9,904)	(15,420)
Salaries Payable	-	(4,469)
Accrued Payroll Liabilities	2,272	(599)
Deferred Revenue	(3,812)	(2,458)
Net cash provided by operating activities	<u>127,479</u>	<u>119,808</u>
Cash Flow From Investing Activities		
Purchase of equipment	<u>(10,901)</u>	<u>(13,127)</u>
Net cash provided by investing activities	<u>(10,901)</u>	<u>(13,127)</u>
Cash Flow From Financing Activities		
Payments of capital lease obligations	(5,771)	(4,832)
Capital Lease	-	-
Proceeds from note payable - LOC (Net of payments)	<u>30,407</u>	<u>(63,773)</u>
Net cash provided by financing activities	<u>24,636</u>	<u>(68,605)</u>
Increase in Cash	141,214	38,076
Cash at Beginning of Year	<u>68,991</u>	<u>30,915</u>
Cash at End of Year	<u>\$ 210,205</u>	<u>\$ 68,991</u>

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

NOTE 1 - DESCRIPTION OF ORGANIZATION

The Children's Coalition for Northeast Louisiana, Inc. - a voluntary health and welfare organization (the Coalition) was established in 2000 to act as a coordinating agency to develop a comprehensive and integrated system of resources that support children and their families as they live and grow to their full potential.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Coalition conform to generally accepted accounting principles as applicable to voluntary health and welfare organizations. The more significant accounting policies of the Coalition are described below:

A. Basis of Presentation

The financial statements have been prepared on an accrual basis of accounting. Accordingly, revenues are recognized when earned and expenses are recognized when incurred.

The financial statements of the Coalition are presented as recommended by the Financial Accounting Standards Board in ASC 958-205 (formerly Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*). Under ASC 958-205, the Coalition is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. At June 30, 2010 and 2009, the Coalition had no permanently restricted net assets.

B. Contributions

The Coalition has also adopted ASC 958-55 (formerly SFAS No. 116, *Accounting for Contributions Received and Contributions Made*). In accordance with ASC 958-55, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. Under ASC 958-55, such contributions are required to be reported as temporarily restricted support and are then reclassified to unrestricted net assets upon expiration of the related time restrictions or the funds are expended in accordance with the donor's intention. The organization has elected to recognize temporarily restricted contributions which are released from the restriction in the same year as unrestricted contributions.

The School Readiness Tax Credits are not considered restricted net assets. The Board of Directors has designated these contributions for support of School Readiness programs.

C. Donated Services

Members, agencies, business firms, volunteers and others contribute substantial services toward the fulfillment of projects initiated by the Coalition. No amounts have been recognized in the Statement of Activities because the criteria for recognition of such volunteer effort under ASC 958-55 have not been satisfied.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Furniture and Equipment

Furniture and equipment are stated at cost. All donated capital assets are recorded at fair market value on the date of the donation. Depreciation is computed on a straight-line basis over the useful lives of the assets using the following estimated lives:

	<u>Years</u>
Furniture and Equipment	3 – 10

Expenditures for major renewals or betterments which extend the useful lives of property, improvements, and equipment are capitalized. Expenditures for maintenance and repairs are expensed as incurred. All expenditures for furniture and equipment in excess of \$500 generally are capitalized.

E. Leased Equipment Capitalized

The imputed cost of leased equipment is capitalized and charged to earnings using the straight-line method of amortization over estimated useful lives of five years for financial reporting purposes. Generally, when items of leased property are retired or otherwise disposed of, the cost and related accumulated amortization are removed from the accounts and any resulting gain or loss is reflected in income. Amortization of assets under capital leases is included in depreciation expense for 2010 and 2009.

F. Compensated Absences

Employees earn forty hours of vacation after completing six months of employment. After one year, they earn eighty hours and after five years, they earn one hundred twenty hours increasing to one hundred sixty hours after ten years. Employees earn eight days of sick leave after six months. After one year, they earn sixteen days increasing to twenty days after five years. The financial statements do not include any accrual for vacation or sick pay. The Coalition's policy is that vacation days are taken in the year accrued or compensated prior to year-end. Sick days may be accumulated to a maximum of 30 days; however, employees are not paid for any unused sick days upon termination.

G. Functional Expenses

Expenses that can be identified with a specific program and support service are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated by various statistical bases.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Programs

The Coalition's principal programs and primary funding sources are:

Health Care

Covering Kids and Families income is primarily funded by Louisiana Department of Health and Hospitals-Medicaid. This program was developed as an effort to increase the enrollment in the LaCHIP and LaMOM program, which provides health insurance to children in families with incomes of up to 250% of poverty level. The LaChip Coordinator works with a regional coalition and the Medicaid office in outreach activities. An outreach effort is the annual Start School Right Children's Resources and Health Fair, which is funded through various sponsorships.

The Fetal Infant Mortality Reduction Initiative is funded through the Louisiana Department of Health and Hospitals-Office of Public Health/Maternal and Child Health Coalition. An expansion of this program to surrounding parishes is being funded by the Living Well Foundation. Two part-time public health nurses housed at OPH review medical records with a team of medical experts to ascertain causes of fetal and infant mortality. A community action team organized through the Coalition works to provide community solutions for any identified problems.

The third program under this initiative is *Coordinated School Health*, funded through the University of Louisiana at Lafayette-Picard Center for Child Development. Funding is provided by a Board of Regents grant. This effort works with area school systems to develop a plan for the social, emotional and physical health of students and staff. The planning includes analyzing school budgets to assure proper Medicaid billing for services being provided.

Early Childhood Education – There are several initiatives and funding sources under this focus area:

Northeast Louisiana Child Care Connections: This initiative provides the child care resource and referral agency for the 12 parishes in northeast Louisiana. Louisiana Department of Social Services-Office of Family Services provides funding for these efforts through Child Development Block Grant funds. Child Care Connections provides: consumer education and referral services; training for child care providers and staff, and technical assistance in child care centers and in family child care homes. A major focus is providing support for centers who voluntarily participate in the Quality Start rating system for child care. As this entity, the Children's Coalition is eligible for School Readiness Tax Credits from businesses and corporations to support child care.

Mental Health Consultations: Mental health consultants are made available to child care centers for up to six months to work with staff to improve the social emotional development of children in child care centers. This effort is funded through the Tulane Institute for Infant and Early Childhood Mental Health from a grant with LA DSS.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)***H. Programs – (Continued)***Early Childhood Education – (Continued)**

Community Solutions to Economic Success: With funding from the Work Force Investment Board Area 81, a program director coordinates a business leaders' task force in finding solutions to meet the child care needs of employers and employees in the community. The purpose is to assure that families have the quality child care they need to enter the workforce and to remain employed. The Program Director also works with area Quality Start centers to improve their business and administrative practices. JP Morgan Chase through the United Way has provided an additional grant to support this effort to improve administrative practices in child care centers.

Al's Pals: Kids Making Healthy Choices: Funded through the LA Department of Health and Hospitals-Office for Addictive Disorders and with a partnership with Monroe City Schools and their Safe Schools/Healthy Students grant, Al's Pals is a life skills program for 4 year olds. Every student in the preschool program of Monroe City Schools as well as 4 year olds in eight child care centers was involved in this program.

Monroe City Schools-Safe Schools/Healthy Students: With funding from this grant, the Children's Coalition provides an Early Childhood Coordinator to work with child care providers and the school system in providing resources for child care and parents, training and coordination of services.

Youth Development - There are four initiatives under this focus area:

Teen Screen of Northeast Louisiana - The program provides a basic mental health screening for every 7th grader in Monroe City Schools and Ouachita Parish Schools. Any student screened at risk for depression or suicide is referred to services within the community. This effort is funded through a grant from LA DHH-Office of Mental Health. Additional funding is provided by a grant from Sisters of Charity.

4th Judicial District Youth Services Planning Board - The Children's Coalition provides staff support and some operating expenses for this board. Funding for staff support comes from the MacArthur Models for Change grant with additional support from our general funds.

MacArthur Models for Change Initiative – The MacArthur Foundation provided a grant through its Models for Change in Juvenile Justice initiative to the University of Louisiana at Monroe. ULM contracts with the Children's Coalition to provide leadership to two of the four goals of the grant. Our work is related to creating a strategic plan for juvenile justice reform for the 4th judicial district, and piloting a parenting program for juvenile justice involved families. The other two goals are creating model juvenile drug court and district attorney diversion programs.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)***H. Programs – (Continued)***Youth Development – (Continued)**

Parent Empowerment Program - This program is a pilot funded by the MacArthur Foundation. The Children's Coalition is working with two other states, The REACH Institute, and the National Center for Mental Health and Juvenile Justice to develop a training to teach parents to advocate for their children within the juvenile justice and mental health systems

Hurricane Relief Services

Hurricane Relief Services are funded through the Department of Social Services. The Coalition provides staff for respite care for children and families in the critical transportation needs shelters.

Parenting Initiative

The Parenting initiative is partially funded through a Louisiana Children's Trust Fund. This program develops parent training opportunities in the community to enhance childhood literacy, quality care, success in school and strengthening the family. The majority of the funding for this effort is from general funds.

I. Income Taxes

The Coalition is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code but must file an annual return with the Internal Revenue Service that contains information on its financial operations. The Coalition is required to review various tax positions it has taken with respect to its exempt status and determine whether in fact it continues to qualify as a tax exempt entity. It must also consider whether it has nexus in jurisdictions in which it has income and whether a tax return is required in those jurisdictions. In addition, as a tax exempt entity, the Coalition must assess whether it has any tax positions associated with unrelated business income subject to income tax. The Coalition does not expect any of these tax positions to change significantly over the next twelve months. Any penalties related to late filing or other requirements would be recognized as penalties expense in the Coalition's accounting records.

The Coalition is required to file U.S. federal Form 990 for informational purposes. Its federal income tax returns for the tax years 2006 and beyond remain subject to examination by the Internal Revenue Service.

Contributions to the Coalition are tax deductible within the limitations prescribed by the Code.

J. Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, the Coalition considers demand deposits, time deposits and certificates of deposit with an original maturity of three months or less to be cash equivalents.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Accounts Receivable

Accounts receivables are stated at the amount management expects to collect from outstanding balances.

L. Supplemental Cash Flow Information

Cash paid for interest for the years ended June 30, 2010 and 2009 was \$5,595 and \$4,512 respectively.

M. Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

N. Minor Reclassifications

Minor reclassifications have been made to the prior year financial statements to make them comparable to the current year presentation.

NOTE 3 - FURNITURE AND EQUIPMENT

Furniture and Equipment consisted of the following at June 30:

	<u>2010</u>	<u>2009</u>
Furniture and Equipment	\$ 169,937	\$ 159,036
Less: Accumulated Depreciation	<u>(100,904)</u>	<u>(76,701)</u>
NET FURNITURE AND EQUIPMENT	<u>\$ 69,033</u>	<u>\$ 82,335</u>

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

NOTE 4 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets as of June 30, consist of the following:

	<u>2010</u>	<u>2009</u>
Youth Development	\$ 82,041	\$ 10,972
Healthcare	65,488	82,094
Early Childhood Education	16,172	39,436
Total	<u>\$ 163,701</u>	<u>\$ 132,502</u>

NOTE 5 - LEASES

The Coalition leases an ultra sound machine under a capital lease. The phone system and network server, which is also recorded as a capital lease ended, when the terms of the lease were satisfied. The economic substance of these leases is that the Coalition is financing the acquisition of these assets through the leases and accordingly, it is recorded as assets and the lease is recorded as a liability.

The following is an analysis of the leased asset included in furniture and equipment at June 30:

	<u>2010</u>	<u>2009</u>
Equipment Under Capital Lease	\$ 35,105	\$ 35,105
Less: Accumulated Depreciation	<u>(22,672)</u>	<u>(17,106)</u>
Total	<u>\$ 12,433</u>	<u>\$ 17,999</u>

The future minimum lease payments under the capital leases and the net present value of the future minimum lease payments at June 30, 2010 are as follows:

Total minimum lease payments	\$ 15,538
Amount representing interest	<u>(5,771)</u>
Present value of net minimum lease payments	9,767
Current portion	<u>3,961</u>
Long-term capital lease obligation	<u>\$ 5,806</u>

The Coalition leases its copy machine under a noncancelable operating lease expiring in 2012. The Coalition leases office space under a lease that was signed and commenced on July 12, 2007, with a term of 85 months.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

NOTE 5 – LEASES (Continued)

The minimum rental under all leases having an initial or remaining term in excess of one year from June 30, 2010, are approximated as follows:

Year Ending	Amount
2011	54,000
2012	54,000
2013	54,000
2014	54,000
2015	31,500
Total	\$ 247,500

Total lease and rent expense for the year ended June 30, 2010 and 2009, was \$71,388 and \$70,338 which includes In-Kind contributions of office space and meeting rooms of \$9,000 and \$9,000 respectively.

NOTE 6 – FINANCIAL INSTRUMENTS**FAIR VALUES**

The Coalition's financial instruments consist of cash (restricted and unrestricted), receivables, accounts payable, other current liabilities, and the line of credit. The carrying values of these instruments approximate their fair values.

CONCENTRATIONS OF CREDIT RISK

The Coalition has concentrated credit risk for cash by maintaining deposits in one bank. At June 30, 2010 and 2009 there were no deposits in excess of the deposit liabilities reported by the bank over the amount that would have been covered by federal insurance.

COLLATERALIZATION POLICY

The Coalition does not require collateral to support financial instruments subject to credit risk unless otherwise disclosed

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

NOTE 7 – NOTES PAYABLE

The Coalition has an agreement with a financial institution for a \$200,250 line of credit to be available to the Coalition. The principal balance outstanding at June 30, 2010 and 2009, was \$50,982 and \$20,575, respectively.

The line of credit bears interest at a variable rate based on Wall Street Journal prime (currently 3.25%) but with a minimum rate of 5.00%, the rate at June 30, 2010, and is collateralized by equipment. The Coalition will pay this loan in full immediately upon demand. If no demand is made, the Coalition will pay this loan in one payment of all outstanding principal plus all accrued unpaid interest on July 23, 2011. The Coalition will pay regular monthly payments of all accrued unpaid interest due as of each payment date.

NOTE 8 - DISCLOSURES ABOUT CONCENTRATIONS

The Coalition receives the majority of its revenue in the form of grants from various Federal and State agencies. These grants are subject to review by the grantor agencies, which could result in disallowed costs, and there are no guarantees as to future funding.

NOTE 9 – RISK OF LOSS

The Coalition is exposed to a variety of risks that may result in losses. These risks may include possible loss from acts of God, injury to employees, property damage, or breach of contract. The Coalition finances these potential losses through purchasing insurance. The level of coverage has remained constant.

NOTE 10 – SUBSEQUENT EVENTS

In November, 2010, the Coalition signed a long-term lease for additional office space. Total monthly lease expense for the office space will increase from \$4,500 to \$6,975.

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through December 9, 2010, which is the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

THE CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC.

SCHEDULE OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2010

	Unrestricted		Temporarily Restricted								
	Undesignated	Designated	DHH - OAD	DHH - M	DHH - Asthma	DHH - Teen Screen	Teen Screen Garrett Lee Smith	DSS Resource & Referral	DSS Training	DSS Technical Assistance	DSS Sheltering
	General	School Readiness Tax Credit									
Fund Balance July 1, 2009	\$ 99,400	\$ 29,170	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income	55,116	120,115	98,900	108,707	14,055	136,209	15,000	136,938	295,787	176,805	1,676
Expenditures	(208,919)	(38,894)	(100,070)	(111,529)	(12,976)	(129,483)	(12,482)	(131,155)	(183,373)	(175,251)	(1,676)
Net Income (Loss)	(153,803)	81,221	(1,170)	(2,822)	1,079	6,726	2,518	5,783	112,414	1,554	-
Capital and Other Transfers	166,544	(36,000)	1,170	2,822	(1,079)	(6,726)	(2,518)	(5,783)	(112,414)	(1,554)	-
Fund Balance June 30, 2010	\$ 112,141	\$ 74,391	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

See auditors' report.

Temporarily Restricted

Tulane - MH	OPH - FMR	Sisters of Charity	Blue Cross Blue Shield	ULL Coordinated Schools	Monroe City Schools	JPMorgan Chase	Living Well Foundation	Workforce investment Board	Ounclita Parish Sch/ALS PALS	LA CTF	MacArthur Foundation	MacArthur Foundation/ PEP	Total Restricted	Fund Balance
\$ -	\$ -	\$ 10,972	\$ -	\$ 29,890	\$ -	\$ 39,436	\$ 52,204	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 132,502	\$ 261,072
97,358	40,029	-	10,000	-	49,653	-	110,000	68,943	17,137	10,000	15,443	100,000	1,502,640	1,677,871
(93,766)	(36,956)	(10,972)	-	(29,890)	(47,441)	(23,264)	(106,716)	(73,576)	(17,137)	(10,000)	(15,225)	(17,959)	(1,340,897)	(1,588,710)
3,592	3,073	(10,972)	10,000	(29,890)	2,212	(23,264)	3,284	(4,633)	-	-	218	82,041	161,743	89,161
(3,592)	(3,073)	-	-	-	(2,212)	-	-	4,633	-	-	(218)	-	(166,544)	-
\$ -	\$ -	\$ -	\$ 10,000	\$ -	\$ -	\$ 16,172	\$ 55,488	\$ -	\$ -	\$ -	\$ -	\$ 82,041	\$ 163,701	\$ 350,233

THE CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC.

SCHEDULE OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2009

	Unrestricted		Temporarily Restricted								
	Undesignated	Designated	DHH-OAD		DHH-M		Teen Screen		DSS	DSS	DSS
	General	School Readiness Tax Credit	DHH-OAD	DHH-M	Teen Screen	Garrett Lee Smith	DSS-PE	Resource & Referral	DSS Training	Technical Assistance	Tufane MII
Fund Balance July 1, 2008	\$ 43,907	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income	94,759	35,200	99,386	103,066	133,452	15,960	124,340	130,657	259,523	149,987	69,177
Expenditures	(181,548)	-	(97,544)	(98,571)	(130,049)	(12,568)	(121,229)	(128,356)	(147,175)	(148,736)	(69,590)
Net Income (Loss)	(86,789)	35,200	1,842	4,495	3,403	2,432	3,111	2,301	112,348	1,251	(413)
Capital and Other Transfers	142,282	(6,030)	(1,842)	(4,495)	(3,403)	(2,432)	(3,111)	(2,301)	(112,348)	(1,251)	413
Fund Balance June 30, 2009	\$ 99,400	\$ 29,170	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

See auditors' report.

Temporarily Restricted

Tulane RA	OPH PIMR	Sisters of Charity	Blue Cross Blue Shield	Tobacco Free Living	U.L.L. Coordinated Schools	Monroe City Schools	Hurricane Relief Services	JPMorgan Chase	Living Well Foundation	Workforce Investment Board	LA CTF	Total Restricted	Total
\$ -	\$ -	\$ 74,145	\$ 1,164	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	75,309	\$ 119,216
1,438	39,813	-	-	19,270	75,000	31,147	5,840	46,500	56,092	9,921	8,405	1,378,014	1,507,973
(1,050)	(37,302)	(63,173)	-	(18,652)	(43,956)	(31,146)	(6,280)	(7,064)	(3,868)	(9,065)	(9,175)	(1,184,569)	(1,366,117)
388	2,511	(63,173)	-	618	31,044	1	(440)	39,436	32,204	856	(770)	193,445	141,856
(388)	(2,511)	-	(1,164)	(618)	(1,154)	(1)	440	-	-	(856)	770	(136,252)	-
\$ -	\$ -	\$ 10,972	\$ -	\$ -	\$ 29,890	\$ -	\$ -	\$ 39,436	\$ 52,204	\$ -	\$ -	\$ 132,502	\$ 261,072

OTHER INDEPENDENT AUDITORS' REPORT

HEARD, McELROY, & VESTAL

LLP

CERTIFIED PUBLIC ACCOUNTANTS

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December 9, 2010

The Board of Directors
Children's Coalition for Northeast Louisiana, Inc.
Monroe, Louisiana

Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with Government Auditing Standards

We have audited the financial statements of the Children's Coalition for Northeast Louisiana, Inc. (a non-profit corporation) as of and for the years ended June 30, 2010, and have issued our report thereon dated December 9, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Corporation's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Corporation's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Children's Coalition for Northeast Louisiana, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the board of directors, management, and the agencies granting funds to the Corporation, others within the entity, the Legislative Auditor of the State of Louisiana and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 23:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Heard, McElroy & Vestal, LLP